EVERY WOMAN COUNTS

May 2012
Estimate Package

2012-13 MAY REVISION

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CALIFORNIA
DEPARTMENT OF PUBLIC HEALTH

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Table 1a

1. Fiscal Comparison Tables (in thousands)

Table 1a: Expenditure Comparison: FY 2011-12 in FY 2012-13 May Revision to FY 2011-12 Budget Act

EWC Activity	2011-12 in 2012-13 May Revision					2011-12 Budget Act					Difference				
Clinical Services	**Total**	**0236**	**0009**	**FF**	**GF**	**Total**	**0236**	**0009**	**FF**	**GF**	**Total**	**0236**	**0009**	**FF**	**GF**
Office Visits and Consults	11,605	5,689	2,402	1,124	2,410	14,720	4,549	1,922	918	7,331	-3,115	1,120	480	206	-4,921
Screening Mammograms	13,893	6,777	2,873	1,337	2,906	19,365	5,984	2,528	1,208	9,645	-5,472	793	345	129	-6,739
Diagnostic Mammograms	4,545	2,239	941	468	897	5,861	1,811	766	366	2,918	-1,316	428	175	102	-2,021
Diagnostic Breast Procedures	5,629	2,771	1,168	569	1,121	7,431	2,296	970	464	3,701	-1,802	475	198	105	-2,580
Case Management	3,729	1,770	741	377	841	15,434	4,769	2,015	963	7,687	-11,705	-2,999	-1,274	-586	-6,846
Other Clinical Services	5,812	2,855	1,205	584	1,168	8,648	2,672	1,129	540	4,307	-2,836	183	76	44	-3,139
Subtotal Clinical Services	**45,213**	**22,081**	**9,330**	**4,459**	**9,343**	**71,459**	**22,081**	**9,330**	**4,459**	**35,589**	**-26,246**	**0**	**0**	**0**	**-26,246**
LHP (1115 Waiver)	-3,600	0	0	0	-3,600	0	0	0	0	0	-3,600	0	0	0	-3,600
Clinical Services including LHP	**41,613**	**22,081**	**9,330**	**4,459**	**5,743**	**71,459**	**22,081**	**9,330**	**4,459**	**35,589**	**-29,846**	**0**	**0**	**0**	**-29,846**
10% Medi-Cal Reduction for Clinical Services	0	0	0	0	0	-7,145	0	0	0	-7,145	7,145	0	0	0	7,145
Tiered-Case Management ($50/$0) *	0	0	0	0	0	-9,183	0	0	0	-9,183	9,183	0	0	0	9,183
Medi-Cal Rate Reduction/Radiology *	0	0	0	0	0	-840	0	0	0	-840	840	0	0	0	840
Total Clinical Services	**41,613**	**22,081**	**9,330**	**4,459**	**5,743**	**54,291**	**22,081**	**9,330**	**4,459**	**18,421**	**-12,678**	**0**	**0**	**0**	**-12,678**
Local Assistance Contracts	3,544	0	3,544	0	0	3,544	0	3,544	0	0	0	0	0	0	0
Total Local Assistance Appropriation	**45,157**	**22,081**	**12,874**	**4,459**	**5,743**	**57,835**	**22,081**	**12,874**	**4,459**	**18,421**	**-12,678**	**0**	**0**	**0**	**-12,678**
EWC State Operations Budget															
Fiscal Intermediary - Processing Costs	1,251	0	1,251	0	0	500	0	500	0	0	751	0	751	0	0
Fiscal Intermediary - System Development Notices	0	0	0	0	0	500	0	500	0	0	-500	0	-500	0	0
Other EWC Support Costs	6,251	0	3,757	2,494	0	6,502	0	4,008	2,494	0	-251	0	-251	0	0
Total EWC State Operations Appropriation	**7,502**	**0**	**5,008**	**2,494**	**0**	**7,502**	**0**	**5,008**	**2,494**	**0**	**0**	**0**	**0**	**0**	**0**

* 2011-12 in 2012-13 Revised Estimate - Cost Savings as shown in 2011-12 Budget Act were included in the projections for each service category and not calculated separately.

Table 1b

1. Fiscal Comparison Tables (in thousands)

Table 1b: Expenditure Comparison: FY 2011-12 in FY 2012-13 May Revision to FY 2011-12 in 2012-13 Governor's Budget (November Estimate)

EWC Activity	2011-12 in 2012-13 May Revision					2011-12 in 2012-13 Governor's Budget (November Estimate)					Difference				
Clinical Services	**Total**	**0236**	**0009**	**FF**	**GF**	**Total**	**0236**	**0009**	**FF**	**GF**	**Total**	**0236**	**0009**	**FF**	**GF**
Office Visits and Consults	11,605	5,669	2,402	1,124	2,410	12,374	5,669	2,402	1,124	3,179	-769	0	0	0	-769
Screening Mammograms	13,893	6,777	2,873	1,337	2,906	14,849	6,777	2,873	1,337	3,862	-956	0	0	0	-956
Diagnostic Mammograms	4,545	2,239	941	468	897	4,712	2,239	941	468	1,064	-167	0	0	0	-167
Diagnostic Breast Procedures	5,629	2,771	1,168	569	1,121	5,901	2,771	1,168	569	1,393	-272	0	0	0	-272
Case Management	3,729	1,770	741	377	841	3,665	1,770	741	377	777	64	0	0	0	64
Other Clinical Services	5,812	2,855	1,205	584	1,168	6,092	2,855	1,205	584	1,448	-280	0	0	0	-280
Subtotal Clinical Services	**45,213**	**22,081**	**9,330**	**4,459**	**9,343**	**47,593**	**22,081**	**9,330**	**4,459**	**11,723**	**-2,380**	**0**	**0**	**0**	**-2,380**
LHP (1115 Waiver)	-3,600	0	0	0	-3,600	-2,898	0	0	0	-2,898	-702	0	0	0	-702
Clinical Services including LHP	**41,613**	**22,081**	**9,330**	**4,459**	**5,743**	**44,695**	**22,081**	**9,330**	**4,459**	**8,825**	**-3,082**	**0**	**0**	**0**	**-3,082**
10% Medi-Cal Reduction for Clinical Services	0	0	0	0	0	-4,470	0	0	0	-4,470	4,470	0	0	0	4,470
Tiered-Case Management ($50/$0) *	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Medi-Cal Rate Reduction/Radiology *	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Clinical Services	**41,613**	**22,081**	**9,330**	**4,459**	**5,743**	**40,225**	**22,081**	**9,330**	**4,459**	**4,355**	**1,388**	**0**	**0**	**0**	**1,388**
Local Assistance Contracts	3,544	0	3,544	0	0	3,544	0	3,544	0	0	0	0	0	0	0
Total Local Assistance Appropriation	**45,157**	**22,081**	**12,874**	**4,459**	**5,743**	**43,769**	**22,081**	**12,874**	**4,459**	**4,355**	**1,388**	**0**	**0**	**0**	**1,388**
EWC State Operations Budget															
Fiscal Intermediary - Processing Costs	1,251	0	1,251	0	0	500	0	500	0	0	751	0	751	0	0
Fiscal Intermediary - System Development Notices	0	0	0	0	0	500	0	500	0	0	-500	0	-500	0	0
Other EWC Support Costs	6,251	0	3,757	2,494	0	6,502	0	4,008	2,494	0	-251	0	-251	0	0
Total EWC State Operations Appropriation	**7,502**	**0**	**5,008**	**2,494**	**0**	**7,502**	**0**	**5,008**	**2,494**	**0**	**0**	**0**	**0**	**0**	**0**

Table 1c

1. Fiscal Comparison Tables (in thousands)

Table 1c: Expenditure Comparison: 2012-13 May Revision to 2012-13 Governor's Budget (November Estimate)

EWC Activity	2012-13 May Revision					2012-13 Governor's Budget (November Estimate)					Difference				
	Total	0236	0009	FF	GF	Total	0236	0009	FF	GF	Total	0236	0009	FF	GF
Clinical Services															
Office Visits and Consults	12,355	5,830	786	1,142	4,597	13,611	5,830	786	1,142	5,853	-1,256	0	0	0	-1,256
Screening Mammograms	14,829	6,990	934	1,364	5,541	16,334	6,990	934	1,364	7,046	-1,505	0	0	0	-1,505
Diagnostic Mammograms	4,727	2,236	327	454	1,710	5,183	2,236	327	454	2,166	-456	0	0	0	-456
Diagnostic Breast Procedures	5,892	2,795	398	561	2,138	6,491	2,795	398	561	2,737	-599	0	0	0	-599
Case Management	3,572	1,345	263	360	1,604	4,031	1,345	263	360	2,063	-459	0	0	0	-459
Other Clinical Services	6,099	2,885	409	578	2,227	6,701	2,885	409	578	2,829	-602	0	0	0	-602
Subtotal Clinical Service	**47,474**	**22,081**	**3,117**	**4,459**	**17,817**	**52,351**	**22,081**	**3,117**	**4,459**	**22,694**	**-4,877**	**0**	**0**	**0**	**-4,877**
LHP (1115 Waiver)	-7,500	0	0	0	-7,500	-7,600	0	0	0	-7,600	100	0	0	0	100
Clinical Services including LHP	**39,974**	**22,081**	**3,117**	**4,459**	**10,317**	**44,751**	**22,081**	**3,117**	**4,459**	**15,094**	**-4,777**	**0**	**0**	**0**	**-4,777**
10% Medi-Cal Reduction for Clinical Services	0	0	0	0	0	-4,475	0	0	0	-4,475	4,475	0	0	0	4,475
Tiered-Case Management ($50/$0) *	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Medi-Cal Rate Reduction/Radiology *	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Clinical Services	**39,974**	**22,081**	**3,117**	**4,459**	**10,317**	**40,276**	**22,081**	**3,117**	**4,459**	**10,619**	**-302**	**0**	**0**	**0**	**-302**
Local Assistance Contracts	3,594	0	3,544	50	0	3,544	0	3,544	0	0	50	0	0	50	0
FI Processing Costs	1,251	0	1,251	0	0	0	0	0	0	0	1,251	0	1,251	0	0
Total Local Assistance Appropriation	**44,819**	**22,081**	**7,912**	**4,509**	**10,317**	**43,820**	**22,081**	**6,661**	**4,459**	**10,619**	**999**	**0**	**1,251**	**50**	**-302**
EWC State Operations Budget															
Fiscal Intermediary - Processing Costs	0	0	0	0	0	1251	0	1251	0	0	-1,251	0	-1,251	0	0
Fiscal Intermediary - System Development Notices	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other EWC Support Costs	5,826	0	3,382	2,444	0	5,783	0	3,289	2,494	0	43	0	93	-50	0
Total EWC State Operations Appropriation	**5,826**	**0**	**3,382**	**2,444**	**0**	**7,034**	**0**	**4,540**	**2,494**	**0**	**-1,208**	**0**	**-1,158**	**-50**	**0**

Table 1d

1. Fiscal Comparison Tables (in thousands)

Table 1d: Expenditure Comparison: 2012-13 May Revision to 2011-12 in 2012-13 May Revision

EWC Activity	2012-13 May Revision					2011-12 in 2012-13 May Revision					Difference				
Clinical Services	Total	0236	0009	FF	GF	Total	0236	0009	FF	GF	Total	0236	0009	FF	GF
Office Visits and Consults	12,355	5,830	786	1,142	4,597	11,605	5,669	2,402	1,124	2,410	750	161	-1,616	18	2,187
Screening Mammograms	14,829	6,990	934	1,364	5,541	13,893	6,777	2,873	1,337	2,906	936	213	-1,939	27	2,635
Diagnostic Mammograms	4,727	2,236	327	454	1,710	4,545	2,239	941	468	897	182	-3	-614	-14	813
Diagnostic Breast Procedures	5,892	2,795	398	561	2,138	5,629	2,771	1,168	569	1,121	263	24	-770	-8	1,017
Case Management	3,572	1,345	263	360	1,604	3,729	1,770	741	377	841	-157	-425	-478	-17	763
Other Clinical Services	6,099	2,885	409	578	2,227	5,812	2,855	1,205	584	1,168	287	30	-796	-6	1,059
Subtotal Clinical Service	**47,474**	**22,081**	**3,117**	**4,459**	**17,817**	**45,213**	**22,081**	**9,330**	**4,459**	**9,343**	**2,261**	**0**	**-6,213**	**0**	**8,474**
LIHP (1115 Waiver)	-7,500	0	0	0	-7,500	-3,600	0	0	0	-3,600	-3,900	0	0	0	-3,900
Clinical Services including LIHP	**39,974**	**22,081**	**3,117**	**4,459**	**10,317**	**41,613**	**22,081**	**9,330**	**4,459**	**5,743**	**-1,639**	**0**	**-6,213**	**0**	**4,574**
10% Medi-Cal Reduction for Clinical Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tiered-Case Management ($50/$80) *	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Medi-Cal Rate Reduction/Radiology *	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Clinical Services	**39,974**	**22,081**	**3,117**	**4,459**	**10,317**	**41,613**	**22,081**	**9,330**	**4,459**	**5,743**	**-1,639**	**0**	**-6,213**	**0**	**4,574**
Local Assistance Contracts	3,594	0	3,544	50	0	3,544	0	3,544	0	0	50	0	0	50	0
FI Processing Costs	1,251	0	1,251	0	0	0	0	0	0	0	1,251	0	1,251	0	0
Total Local Assistance Appropriation	**44,819**	**22,081**	**7,912**	**4,509**	**10,317**	**45,157**	**22,081**	**12,874**	**4,459**	**5,743**	**-338**	**0**	**-4,962**	**50**	**4,574**
EWC State Operations Budget															
Fiscal Intermediary - Processing Costs	0	0	0	0	0	1,251	0	1,251	0	0	-1,251	0	-1,251	0	0
Fiscal Intermediary - System Development Notices	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other EWC Support Costs	5,826	0	3,382	2,444	0	6,251	0	3,757	2,494	0	-425	0	-375	-50	0
Total EWC State Operations Appropriation	**5,826**	**0**	**3,382**	**2,444**	**0**	**7,502**	**0**	**5,008**	**2,494**	**0**	**-1,676**	**0**	**-1,626**	**-50**	**0**

2. Program Background

PROGRAM BACKGROUND

The mission of the California Department of Public Health (CDPH) Cancer Detection Section (CDS) is to save lives by preventing and reducing the devastating effects of cancer on Californians through early detection. Serving low-income underserved women, the Every Woman Counts (EWC) program offers multi-faceted, screening and diagnostic services for breast and cervical cancer, coupled with continuous monitoring to reduce missed or delayed cancer diagnosis. EWC serves 20 percent of eligible uninsured and underinsured women age 40 and older in California.

EWC is a quality improvement and outcome-driven public health program that serves to raise the accessibility and quality of cancer screening and diagnostic services for low-income underserved women. EWC provides support services to recruit, screen, and follow-up underserved populations of African-American, Asian-Pacific Islander, and American Indian women as well as older and rural women.

The Governor's Budget for fiscal year (FY) 2012-13 proposes to move EWC to the Department of Health Care Services (DHCS) effective July 1, 2012. DHCS administers Medi-Cal and has vast experience in the provision of clinical services. EWC's mandate for delivery of clinical services aligns with the DHCS mission better than that of CDPH. Please see Budget Change Proposal EX-02 Transfer of Direct Service Programs to Department of Health Care Services for more information.

3. Future Fiscal Issues and New Major Assumptions

FUTURE FISCAL ISSUES

A. Low Income Health Program (California Bridge to Reform 1115 Waiver for Medi-Cal Eligibility) – Impact of full implementation of the "Non-Legacy" LIHP County Programs on EWC

California was granted a Medicaid 1115 waiver that allows counties to receive federal funds to support Low Income Health Program's (LIHP) administered through DHCS. While LIHP is a voluntary program at the county level, it is anticipated that most counties will implement LIHPs with proposed implementation dates during FY 2012-13. The first counties to implement LIHP are the ten who participated in the LIHP demonstration that have capacity to

enroll new eligible clients into LIHP. Those counties are called “Legacy-LIHPs”. Caseload and fiscal estimates associated with the implementation of those ten LHIPs with respect to EWC are discussed in the November 2011 Estimate Package Major Assumptions A, and on page 17-19 of this document.

To the extent that the remaining LIHPs (non-legacy) are implemented during FY 2012-13, there will be a fiscal impact to EWC. The magnitude of the impact to EWC and savings is unknown at this point due to the many uncertainties currently surrounding the LIHP implementation, including: when the non-legacy LIHPs will implement, at what income levels eligibility will be based, the impact of LIHP enrollment caps and how many EWC women will transition to LIHP.

B. Digital Mammography

EWC will experience increased costs in FY 2013-14 due to the sunset date (January 1, 2014) of Assembly Bill (AB) 359 (Revenue and Taxation Code: Section 30461-30462.1, Chapter 435). AB 359 requires EWC to reimburse for digital mammography (DM) screening at the lower Medi-Cal reimbursement rate for analog (film) mammography (AM). This policy allows EWC providers to offer digital mammography (DM) (and be paid the prevailing AM rate) when AM services are not available. On January 1, 2014, EWC will be required to reimburse for DM at the higher Medi-Cal DM rate. A portion of mammography screening will continue to be AM (where DM is not available) and paid at the AM rate, but that portion is expected to decrease over time as more providers move to provide DM screening. Unless the sunset date is extended or eliminated from statute, EWC will experience increased clinical claims costs. See table below for a comparison of the rates:

Table 2

Mammogram	Analog Rate*	Digital Rate*	Difference
Screening (both breasts)	$72.16	$127.24	$55.08
Diagnostic (both breasts)	$85.80	$132.97	$47.17
Diagnostic (one breast)	$68.76	$107.57	$38.81

*As of 8/11/11 per Medi-Cal website

C. Single Point of Enrollment/Identity

A Single Point of Enrollment/Identity (SPI) will address findings from the Bureau of State Audits Report 2010-103 dated June 2010. These findings state EWC does not know its true caseload and should provide for a centrally managed enrollment process for eligible women to increase accuracy of projections and reporting of the number of women served.

Identity and enrollment data would be collected and processed at a single, central location. EWC providers would confirm the woman's eligibility and certify the enrollment found in the EWC data reporting system, DETecting Early Cancer (DETEC). SPI will strengthen probabilistic matching and there by improve EWC ability to ensure women are enrolled only once into the program which would increase the accuracy of caseload projections.

SPI requires programming to make the appropriate system change. In FY 2010-11, CDS sent a System Development Notice (SDN) to the DHCS fiscal intermediary (FI) contractor to begin the process of a system change for a SPI for women enrolling in EWC. DHCS and Hewlett Packard, the previous FI, estimated the costs for the SDN at approximately $725,000. However, any changes to the costs for programming and the timetable for completion will be unknown until the new Medi-Cal FI has an opportunity to evaluate the SDN. DHCS informed CDS of a moratorium on system changes during the new FI takeover period until January 2012. Additionally, EWC determined that due to insufficient funding in BCCA State Operations for FY 2011-12, the SDN for SPI remains on hold until the FY 2012-2013 EWC budget is finalized.

One approach to implementation of SPI is to utilize the contract for the EWC Consumer 800 Number. If this approach is feasible with the FI, women would call the Consumer 800 Number in order to enroll in EWC. The 800 Number contractor would therefore experience higher call volumes and longer calls to accommodate this change.

Another approach to implementing SPI would be to adjust the enrollment algorithm in DETEC in which additional controls would be applied to women identified as potential duplicates. In this case, control of enrollment would reside in EWC. Both approaches would require an SDN.

NEW MAJOR ASSUMPTIONS

A. Fiscal Intermediary Claims Processing Costs

Until FY 2009-10, EWC paid for claims processing costs using Local Assistance funds. EWC proposes to return to this policy and charge all costs for clinical claims, including processing costs, to Local Assistance. Charging these costs to Local Assistance is consistent with the Medi-Cal program.

EWC will move funds from the Breast Cancer Control Account (BCCA) State Operations to BCCA Local Assistance to pay for claims processing costs. The claims processing costs, like the screening procedures billed in the claims, are direct client services costs and are appropriate Local Assistance expenditures.

Processing costs are currently budgeted in BCCA State Operations. As the Governor's Budget for FY 2012-13 proposes to move EWC to DHCS effective July 1, 2012, DHCS will shift BCCA State Operations funds budgeted for processing costs to BCCA Local Assistance funds through a DHCS spring finance letter.

B. Federal State Operations Funds to Local Assistance for Subvention Contracts

In a spring finance letter, DHCS requested a technical adjustment to shift $50,000 federal State Operations funding to Local Assistance to allow EWC to fund 10 direct service/subvention Regional Contracts to disseminate information to prevent cervical cancers to low-income underserved women as required by the federal National Breast and Cervical Cancer Early Detection Program grant. State Contract Manual (SCM) Section 3.17 disallows mix of State Operations and Local Assistance funds, requiring 100 percent Local Assistance in direct services/subvention contracts. The Regional Contracts are deemed subvention contracts and must be 100 percent Local Assistance.

REVISED MAJOR ASSUMPTIONS

There are no revised major assumptions.

DISCONTINUED MAJOR ASSUMPTIONS

A. Reduction in Medi-Cal Payments

EWC had a previous major assumption that there would be a ten percent reduction in Medi-Cal rates based on AB 97, Blumenfield, Chapter 3, Statutes of 2011. On October 27, 2011, the Centers for Medicaid and Medicare Services approved the ten percent reduction for services effective June 1, 2011. DHCS determined that EWC and other non Medi-Cal programs are exempt from the payment reductions authorized by AB 97, Blumenfield, Chapter 3, Statutes of 2011. This policy was published in a Medi-Cal Newsroom article dated December 6, 2011, and in a Frequently Asked Questions document posted on the Medi-Cal website in December 2011.

AB 97 added section 14105.192 to the Welfare and Institutions Code. This section imposes a ten percent payment reduction on providers but in paragraph (9) of subdivision (h) breast cancer treatment is exempted from the payment reduction. This exemption references the Breast and Cervical Cancer Early Detection Program in section 14105.18(a)(3) thereby exempting this program from the ten percent payment reduction.

4. Funding and Expenditure History

EWC is funded by four funding sources. The first, Proposition 99 Unallocated (Prop 99), is a tobacco tax fund. Due to a decreasing incidence of smoking, Prop 99 funds are a slowly declining yet still sizable source of revenue. From a high of $30.8 million in FY 2006-07, funding for EWC from this fund fell to $22.1 million in FY 2009-10. Local Assistance from Prop 99 funding for FY 2011-12 remains static at $22.1 million.

The second funding source is the Breast Cancer Fund (BCF). The BCF is funded by a two cent tobacco tax; one cent goes to the BCCA for EWC and the other one cent goes to the Breast Cancer Research Account. The BCCA is anticipated to slowly decline due to less tobacco use. In May 2011, EWC was notified there was an unexpended balance in the BCF and $2.2 million would be transferred to the BCCA. This one-time funding was used to pay clinical claims and offset General Fund (GF) expenditures. An additional one-time $4.2 Million that was disencumbered at the end of FY 2009-10 was used to pay clinical claims and offset GF expenditures. FY 2011-12 Local Assistance funding from BCCA is $12.9 million.

The third source of funding is federal funding from CDC. Funding from CDC began in 1990 and has continued into FY 2011-12. The program, known as the National Breast and Cervical Cancer Early Detection Program (NBCCEDP), offers funding to programs for cervical and breast cancer outreach, education, early detection, and assuring high quality clinical services. FY 2011-12 Local Assistance funding from NBCCEDP is $4.5 million.

The fourth source of funding is GF. For FY 2011-12, the GF is offset by $2.2 million as a result of the one-time increase in BCCA. The total GF appropriation for FY 2011-12 is $18.4 million in the Budget Act. The FY 2011-12 in FY 2012-13 May Revision is $5.7 million. See Figure 1 for total funds by FY.

The FY 2011-12 State Operations budget for EWC is $5 million from BCCA and $2.5 million from NBCCEDP.

EWC will spend approximately 85 percent of total funds on Local Assistance contracts and clinical claims in FY 2011-12. See Figure 2.

Figure 1

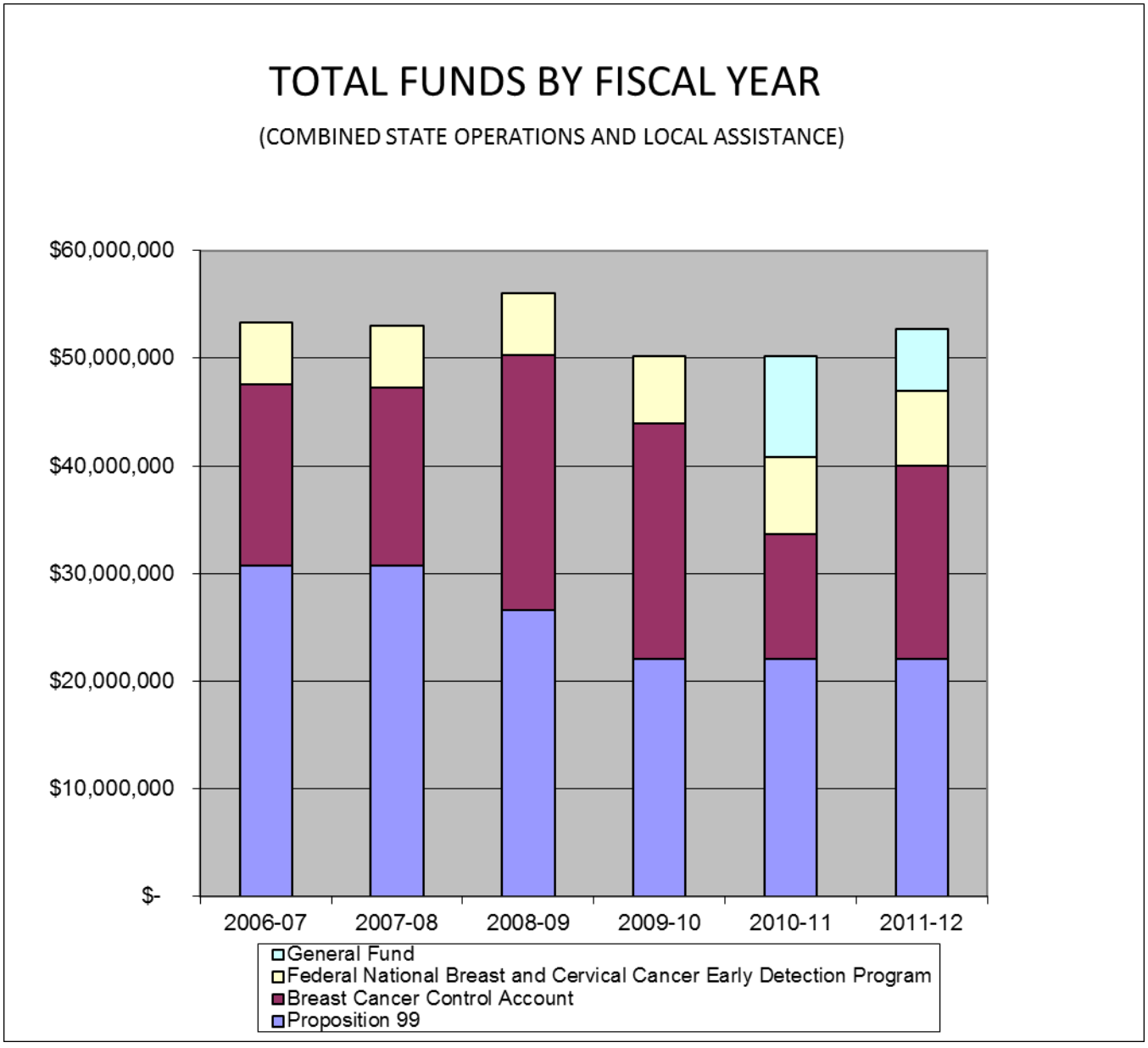
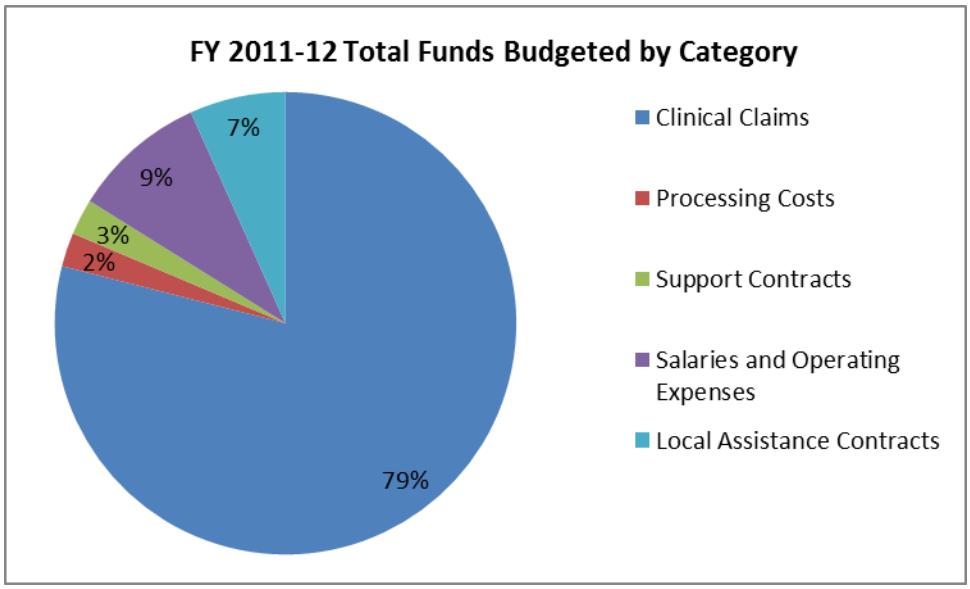

TOTAL FUNDS BY FISCAL YEAR
(COMBINED STATE OPERATIONS AND LOCAL ASSISTANCE)
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
General Fund
Federal National Breast and Cervical Cancer Early Detection Program
Breast Cancer Control Account
Proposition 99

Figure 2



Note: Total funds include the Breast Cancer Control Account, Prop 99, Federal National Breast and Cervical Cancer Early Detection Program, and the General Fund.

5. Fund Condition Statement
Breast Cancer Control Account Fund 0009

Table 3

Fund 0009 - Breast Cancer Control Account	2010-11	2011-12	2012-13
BEGINNING BALANCE	5,468	8,896	1,888
Prior Year Adjustment	671		
ADJUSTED BEGINNING BALANCE	**6,139**	**8,896**	**1,888**
REVENUES, TRANSFERS AND OTHER ADJUSTMENTS			
Revenues			
150300 Income From Surplus Money Investments	50	50	50
Total Revenues	50	50	50
Transfers and Other Adjustments			
FO0004 From Breast Cancer Fund per Revenue and Taxation Code Section 30461.6	13,137	10,965	10,640
Total Transfers and Other Adjustments	13,137	10,965	10,640
TOTAL RESOURCES	19,326	19,911	12,578
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures			
0840 State Controller (State Operations)	51	29	23
4260 Department of Health Care Services			
State Operations	6	112	4,633
Local Assistance	0	0	6,661
4265 Department of Public Health			
State Operations	4,152	5,008	0
Local Assistance	6,216	12,874	0
8880 Financial Information System for California (State Operations)	5		
TOTAL EXPENDITURES	10,430	18,023	11,317
FUND BALANCE	8,896	1,888	1,261

6. Projection Methodology

CDPH's ability to forecast costs and caseload is reduced due to the interruption in the clinical services from January 1, 2010 through November 30, 2010, when women age 40 to 49 were ineligible to receive breast cancer screening services, and the program implemented a moratorium on new enrollments. Therefore, assumptions and projections are based on the same methodology, but include the following limitations:

Costs

- To calculate Percent Change, the time period when EWC was not serving women ages 40-49 nor open to new enrollments was excluded.
- To perform Trend Analysis, CDPH used available adjudicated claims data for the thirteen months following reopening to new enrollments and women age 40 and over.

Caseload

- Caseload must be determined retrospectively, as there is no single point of enrollment.
- The Time Series Regression Model is limited to data through December 2009, which is prior to being closed to new enrollments.

CDPH uses actual paid clinical claims cost data with adjustments as needed when calculating cost and caseload projections.

COST ESTIMATES USING PERCENT CHANGE MODEL

A. Clinical Claims Costs

As a base, CDPH used the actual paid clinical claims costs for the following periods of time:

- July 1, 2008 - December 31, 2009
- February 1, 2011 – February 29, 2012

These periods of time capture claims costs when EWC was serving women age 40 and over and allowing new enrollments into the program. CDPH did not use the period of January 2010 through November 2010 when EWC was neither allowing services for women ages 40-49 nor allowing new enrollments. In

addition, December 2010 and January 2011 were not included, because claims volume was low during these months. Claims volume was low as it took a while for women to resume accessing services after the program restarted. The low volume is also due to the lag time between the date of clinical services and the date CDPH is billed for the expense.

Using the Percent Change Model, the annual increase in claims costs was five percent using the time periods above. Five percent was used to project claims costs for Current Year (CY) 2011-12 in the amount of $45.2 million. This is a $2.4 million decrease from the FY 2011-12 projection published in the 2011 November Estimate.

In addition, CDPH performed a Trend Analysis of costs using the thirteen months (January 2011 through January 2012) after the program opened to new enrollments. This analysis projects a 3.7 percent annual increase in claims costs for both CY 2011-12 and Budget Year (BY) 2012-13.

To project claims costs for BY 2012-13, CDPH used an estimated annual increase of five percent to take into account the expected gradual increase in enrollment of eligible women into the program. The estimated projected claims cost for BY 2012-13 is $47.5 million.

The projected claims cost is broken down by service category in Tables 1a, 1b, 1c and 1d (pages 3-6).

- Projected claims costs for BY 2012-13 based on five percent annual increase: $47.5 million.

B. Impact of the Ten "Legacy" Low-Income Health Program (LIHP) Counties on the EWC Program

LIHP is a five year 1115 (a) Medicaid Demonstration Waiver, entitled "California's Bridge to Health Care Reform." Currently, ten California "Legacy" counties are implementing LIHP. LIHP consists of two optional components, the Medicaid Coverage Expansion (MCE) and the Health Care Coverage Initiative (HCCI). For both components, eligible individuals must be between 19 and 64 years of age, may not be otherwise eligible for Medicaid, must be non-pregnant, must meet income eligibility standards of the respective county, must meet the county residency requirement and must be legally residing in the United States. MCE includes individuals with family income between 0-133 percent of the federal poverty level (FPL). The HCCI includes individuals with family income between 134-200 percent FPL. See Table 4 for LIHP FPL Eligibility for the Ten Legacy Counties.

Table 4

LIHP FPL% ELIGIBILITY MAXIMUMS FOR THE TEN LEGACY COUNTIES		
LEGACY COUNTY	**MCE FPL%**	**HCCI FPL%**
Alameda	133%	200%
Contra Costa	133%	200%
Kern	100%	*
Los Angeles	133%	*
Orange	133%	200%
San Diego	133%	*
San Francisco	25%	*
San Mateo	133%	*
Santa Clara	75%	*
Ventura	133%	200%

*HCCI program not implemented in this county.

CDPH used the California Health Interview Survey (2009 data) for the ten legacy counties to derive the estimated proportions of LIHP enrollees who may be eligible for EWC. The enrollees are estimated separately for MCE and HCCI and the methodology is calculated as follows:

- MCE – Based on family income between 0-133 percent - Women (ages 40-64) who are uninsured/total number of people (all ages) insured and uninsured.
- HCCI – Based on family income between 134-200 percent - Women (ages 40-64) who are uninsured/total number of uninsured people (all ages).

Based on the Monthly Enrollment Report dated February 15, 2012, total LIHP enrollments through December 2011 are 251,308, of which 91 percent are MCE enrollments (228,813) and 9 percent (22,495) are HCCI enrollments. Approximately, 26,100 EWC women could shift to LIHP in FY 2011-12.

DHCS estimates total LIHP enrollment to be 500,000 by December 2013. Assuming the enrollment maximum is reached in FY 2012-13 and the distribution of MCE and HCCI is the same as in FY 2011-12, 455,200 will be enrolled in MCE and 44,800 will be enrolled in HCCI. Of the total 248,692 estimated new LIHP enrollments in FY 2012-13 (500,000 minus 251,308), approximately 25,900 will be EWC eligible women for a potential total shift of 52,000 EWC women in two years.

CDPH then applied the annual cost per woman to the EWC LIHP caseload shift to determine the amount of savings.

FY 2011-12 the savings due to LIHP is estimated at $3.6 million (26,100 women times $139.98).

FY 2012-13 the savings due to LIHP is estimated at $7.5 million (52,000 women times $144.22).

- Projected claims costs for BY 2012-13 with a five percent annual increase and LIHP savings: $39.97 million.

7. Caseload

CDPH defines caseload as the number of unique women who receive at least one paid service during the fiscal year.

As there is uncertainty in the number of EWC unique women due to a lack of a single point of enrollment and less stringent proof of eligibility requirements than Medi-Cal, two methods were used to project caseload: 1) Average Cost and 2) Time Series Regression.

In the first method, caseload was determined by using the projected annual claims cost for FY 2012-13 of $39.97 million and dividing it by the expected average cost per woman.

CDPH calculated the expected average cost per woman by:

1. Starting with the FY 2010-11 average cost per woman without case management costs.
2. Applying a three percent increase to allow for periodic Medi-Cal rate changes.
3. Adding a $50 case management fee for the estimated 20 percent of the caseload that is eligible (based on the percent of screening results that are abnormal).

The projected caseload using Average Cost for FY 2012-13 is 347,000.

In the final step, the potential shift of 52,000 women into LIHP was subtracted for a projected caseload in FY 2012-13 of 295,000.

In the second method, CDPH calculated the caseload using a Time-Series Regression Model based on the number of unique women served at least once between January 1, 2006 and December 31, 2009 (48 months). The 95 percent upper confidence level for the caseload using this method is 366,000.

After subtracting for the potential shift of 52,000 women into LIHP the projected caseload is 313,000.

- Based on the above two methods, the projected caseload for FY 2012-13 is 295,000 using Average Cost or up to 313,000 using Time Series Regression.
- For FY 2012-13 using Average Cost, EWC estimates a caseload of 295,000. See Table 5.

Table 5

Fiscal Year	Calculated Caseload	Months Serving All Women	Calculated Caseload if Serving All Women for 12 Months
	Actual		
2006-07	**244,500[1]**	**12**	**244,500[1]**
2007-08	**256,700[1]**	**12**	**256,700[1]**
2008-09	**283,600[1]**	**12**	**283,600[1]**
2009-10	**235,000[2]**	***6***	***300,000***
2010-11	**217,600[3]**	***7***	***311,000***
Projected			
2011-12	**319,000[4]**	**12**	**319,000[4]**
2012-13	**295,000[4]**	**12**	**295,000[4]**

[1] Serving women 40+ no cost saving policies in place

[2] 6 months no new enrollments, no women 40-49

[3] 5 months no new enrollments, no women 40-49
7 months new enrollments, women 40+, reduction in mammography rates, tiered case management

[4] New enrollments, women 40+, reduction in mammography rates, tiered case management, LIHP.

8. Acronyms

AB - *Assembly Bill*

ACS - American Cancer Society

AM – Analog Mammography

BCCA - *Breast Cancer Control Account.* This is EWC's portion of a two-cent tobacco tax. The BCCA receives one cent of this tax.

BCF – Breast Cancer Fund

BY - Budget Year

CDC - Center for Disease Control and Prevention

CDPH – *California Department of Public Health*. This is the department that oversees the EWC program.

CDS – *Cancer Detection Section*. This is the Section of the CDPH which is responsible for the EWC program.

CY – *Current Year*

DHCS – *California Department of Health Care Services*. This is the department responsible for processing EWC clinical claims.

DM – Digital Mammography

EWC –Every Woman Counts

FI – Fiscal Intermediary

Film - Analog

FLP – Federal Poverty Level

FY – Fiscal Year

GF – General Fund

HCCI – Health Care Coverage Initiative

HPV - Human Papillomavirus

LIHP – Low Income Health Program

MCE – Medicaid Coverage Expansion

NBCCEDP – *National Breast and Cervical Cancer Early Detection Program*. This is the federally funded portion of the EWC program.

Prop 99 – Proposition 99 Unallocated. This is a Tobacco tax fund. EWC receives a portion of the total unallocated account.

SCM – State Contract Manual

SDN – System Development Notice

SPI – Single Point of Enrollment/Identity

USPSTF – United States Preventive Task Force